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INTRODUCTORY REMARKS OF DR. L. S. ROWE, PRESIDENT OF THE AMERICAN ACADEMY OF POLITICAL AND SOCIAL SCIENCE, IN PRESENTING MR. CHARLES R. FLINT, OF NEW YORK CITY

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We have just listened to one of the great statesmen of diplomacy, and we are now to hear from one of the statesmen of commerce. Probably no other man in this country has been more closely identified with international commercial relations than Mr. Charles R. Flint, whom we have the pleasure of having with us this evening. He will speak to us on "The Commercial Significance of China's Awakening."

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THE COMMERCIAL SIGNIFICANCE OF CHINA'S AWAKENING

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ADDRESS BY MR. CHARLES R. FLINT, OF NEW YORK CITY.

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In contemplating the departure of Minister Wu for China, our feelings are in conflict. We shall miss his genial presence and ready wit, but while Minister Wu has been an Excellency in the broadest sense in representing China in Washington, and President Taft "feels a sense of personal loss in his recall," he has, in my opinion, a far more important field of usefulness in giving his countrymen in China the benefit of the knowledge of our industrial development which he has acquired by long residence in this country.

It is evident from what Dr. Wu has said this evening that he has been a close observer during his residence with us. He has even learned that New England trick of dodging a question by asking another. Recently I had the honor of entertaining him at my home at dinner. With characteristic generosity he permitted me to state that he would answer any questions in regard to China. There were present, among others, that constructive genius

in transportation, Mr. Harriman, who, during his last visit to Peking had proposed plans for a comprehensive railway system for China, including the Japanese sphere of influence. In that connection Mr. Harriman had carefully studied their transportation opportunities, and was, therefore, able to make searching inquiries. With his usual adroitness, he took advantage of Dr. Wu's offer by asking several questions leading up to one which, if His Excellency had answered, would have divulged state secrets of his Government. With surprising quickness Dr. Wu said: "Mr. Harriman, you have asked me six questions. I have answered every one of them. I will ask you only one question. I am told you control 50,000 miles of railroad. How did you get it, and how do you keep it?" The railroad magnate was sidetracked.

It is fortunate that His Excellency is returning to China at this time. There has been considerable industrial progress in China, and there is a progressive party there, but I am advised from Peking that the cry is now rampant: "China for the Chinese"—a sentiment that is seriously retarding the progress of that great country.

Minister Wu on his return can tell his people that the unprecedented success of the United States has been largely owing to the fact that we have welcomed foreign intelligence and capital to assist in the development of our resources; that while the foreigners have profited much, the Americans have profited more; that even where enterprises carried out here have been owned and controlled by foreign capitalists, our people have received by far the greater share of the benefits.

Minister Wu has studied our industrial conditions, and has noted that since he first came to the United States the wealth of the country has increased \$45,000,000,000; that we possess two-thirds of the railway mileage of the world; that while some of our industrial leaders have acquired great wealth, the benefits of our industrial development have been distributed among the masses. This has been manifest to him as he has travelled throughout the country, and has seen the evidence of general prosperity in the homes of our people who enjoy to-day more comforts than did the nobility in ages past. His Excellency can tell them that the deposits of our wage-earners in the savings banks have so increased during his stay with us that they now amount to \$3,713,405,710 in gold. At the

same rate per capita the deposits in China would amount to 25,000,000,000 taels.

Dr. Wu came to us thirteen years ago, and having kept in touch with his own country by three visits to it during that period he has had better opportunities than any of his countrymen to mature ideas as to what is best in our development for his people to adopt and adapt to their use.

Kurino, the Minister of Japan, was asked the secret of Japanese success in their war with China (1895). He replied, "It is easy to account for our victories. We were fighting the 'obstinate conservatism' of China." It is that same "obstinate conservatism" that prevents her to-day from utilizing her unlimited resources, her intelligence and low-cost labor to acquire the important position which it is possible for her to attain in the world of industry, and secure the resulting benefits in the vastly improved condition of her people.

The defeat of 1895 caused the retirement of the Empress Dowager Tzu-hsi. Then came the reform movement of the late Emperor Kwang Hsu, under the advice of that great scholar and reformer, Kang Yu Wei (1898), an event to which His Excellency has referred as "The Awakening of China."

The reform edicts of that period opened a new era in the long history of China. Although Kang Yu Wei had taken the highest degrees under the Chinese system of learning, he felt that an education based principally on memorizing the past should be supplanted by a system of mental training to equip men with alert minds to meet the conditions of the present and the future.

The reform edicts were so numerous and rapid that a reaction came, which resulted in the reestablishment of the power of the Empress Dowager. Kang Yu Wei had to flee from Peking, and several of his followers were beheaded. But in spite of the reaction the spirit of reform grew. Yuan Shih Kai, who had been in sympathy with the reform movement, became most influential at court, and partially succeeded in the difficult task of harmonizing the old and the new.

After the death of the Empress Dowager (1909) the Prince Regent deposed Yuan Shih Kai. This was regarded at the time by the foreigners as a step backward, but the reformers of the Kang Yu Wei party predicted that the present Prince Regent

would prove to be a more sincere reformer than Yuan Shih Kai. What the result will be, time will tell, but the outlook at present is not favorable. While there is a powerful progressive party, the reactionaries are very aggressive.

In justice to the Chinese, however, we must admit that the foreigners are largely responsible for the present attitude of the reactionaries. When we review the past we cannot wonder that the Chinese are fearful of Western methods, which, in dealing with them, have so often been characterized by hypocrisy, greed and injustice. At a recent Peace Conference the representatives of the Powers preached the "gospel of peace." The Chinese delegates were attentive listeners. But it must have been uppermost in their minds that the Powers there represented had taken advantage of the fact that China was the only one of the great nations that had continued on a peace footing. Those powers had seized, and they hold to-day, much of her territory. They established spheres of influence, and at least one of these powers, while preaching morality, encouraged, for profit, that most degrading vice—the opium habit.

I was present when Minister Wu was asked whether he thought his Government should discontinue increasing her military strength and rely entirely on the assurances by the Powers of universal peace. His Excellency did not answer that question, but, with rare tact, related a fable. A hen was perched on the limb of a tree, when a fox came along. Looking up, the fox said: "Mistress Hen, come down and walk with me. You need not have any fear; the animals have agreed on universal peace. Just then the baying of a pack of hounds was heard in the distance, and as the fox moved off, the hen said: Mr. Fox, why do you run away if there is universal peace? Ah, said the fox, how do I know but some of those hungry hounds may disregard the agreement?"

His Excellency, however, can positively assure his people that *we* do not want any of their territory; that they not only have the good will of our Government, but of our people. He can state, as an evidence of it, that after the boycott of American goods, after the balance of trade dropped from \$15,243,168, in our favor, in 1906, to \$9,378,699 against us in 1909, the people of the United States applauded our Government in giving up to China of the indemnity due us over \$13,000,000 in gold—an act unparalleled in history. He can impress upon them the fact that to interest Americans in

China will be a powerful addition to her political, as well as to her industrial strength.

But his countrymen may say to him, as he has said to us to-night: "The Chinese exclusion act remains on your statute books." I admit that subordinate officials have not always shown the consideration due to Chinese scholars and merchants landing on our shores, but this has been corrected. As to the wisdom or unwisdom of a free intermingling of the yellow and white races, I can add nothing to what has already been said. That is a question for the sociologists to expound. But, as a practical man of business, I can point out the best economic method of giving the Chinese the greatest benefit of our advanced industrial systems.

Instead of a large number of Chinese coming to the United States, the sound economic policy—and it can be made effective at once—is for the Chinese to induce American brains and money to take an important part in the development of their unlimited resources. For example, if 3,000,000 Chinese came to the United States, it would cost at least \$200 each to cross the Pacific Ocean, establish themselves and return, say \$600,000,000.

If concessions were given to our industrial leaders of demonstrated capacity, and the methods were adopted under which the United States has made the greatest industrial progress in the history of the world, the Chinese would receive, in a larger market for their agricultural and other products, in charges for transportation and in increased wages, over five times what the 3,000,000 Chinese could save from their wages in this country.

Minister Wu has studied our industrial progress, and with positive personal knowledge can assure his countrymen that we have captains of industry capable of making that statement good. If his countrymen question the soundness of that policy, he can point them to "a condition, not a theory"—to the following object lesson, that should be conclusive: President Diaz, by granting concessions to American industrial leaders of proved capacity, has secured an investment of \$800,000,000 United States gold in his country, with the result that the wages of the Mexican laborers have more than doubled, and Mexico has been transformed from a land of political revolutions to one of industrial evolution. By the same policy China can secure equally desirable results.

Mr. President, I thank you for the opportunity you have given

me to join in expressions of friendship and admiration for Dr. Wu on this, the eve of his departure. He has accomplished much in Washington, particularly during the trying period of the Boxer troubles; but his great opportunity to serve his people is in giving to them the benefit of his knowledge of the industrial methods which have made this country great, and have given to our masses a greater measure of well-being than ever before enjoyed by any people in the world's history. If he can induce his Government to welcome our industrial leaders of demonstrated capacity to take part in the development of China's enormous resources he will go down in history as one of the greatest benefactors of his people.

Your Excellency, I wish you long life and success in the larger sphere of usefulness which you are about to enter.

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#### CLOSING REMARKS OF THE PRESIDENT OF THE ACADEMY, DR. L. S. ROWE

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We have now reached a point in the proceedings of this session at which it becomes my privilege to extend to His Excellency the farewell wishes of the Academy. We see you leave our country, sir, with feelings of profound regret, for you have taken a very definite place in our affections. This feeling of sorrow is combined with one of gratitude and obligation for the many services that you have rendered to us and to our country.

The policy of our country with reference to your Government and to your people has offered many curious contradictions. While our relations to the Far East have been dictated by the most lofty purposes, almost unparalleled in the history of modern nations, our treatment of the Far Easterner has been anything but satisfactory. It is not my purpose at this time either to justify or criticize the Chinese exclusion act. The economic causes underlying this legislation are well known to every one. The spirit in which this law has been administered, however, by the minor officials of the Government gives evidence of the existence of deeply rooted prejudices